

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 04485 031907Z

71

ACTION EUR-25

INFO OCT-01 AF-10 IO-13 ADP-00 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 AGR-20 SS-15

NSC-10 L-03 TAR-02 RSR-01 /164 W

----- 002136

R 031730Z AUG 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5621

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TUNIS

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 4485

EO 11652 NA

TAGS: ETRD, EEC, TS, MO

SUB: EC NEGOTIATIONS WITH THE MAHGREB COUNTRIES
(TUNISIA AND MOROCCO)

REFS: EC BRUSSELS 4128 (NOTAL) AND 4334 (NOTAL)

1. SUMMARY: THE COMMUNITY HAS COMPLETED FIRST
ROUNDS OF NEGOTIATION OF NEW TRADING ARRANGEMENTS
WITH TUNISIA AND MOROCCO. NEGOTIATIONS WITH ALGERIA
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 04485 031907Z

WILL RESUME IN LATE SEPTEMBER.L BOTH MOROCCO AND

TUNISIA HAVE EXPRESSED DISSATISFACTION WITH THE LIMITED NATURE OF PROPOSED EC AGRICULTURAL CONCESSIONS. THERE WAS NO DISCUSSION OF REVERSE PREFERENCES OR RECIPROCITY. THESE NEGOTIATIONS WILL CONTINUE IN EARLY OCTOBER. END SUMMARY.

2. IN THE FINAL WEEK OF JULY , EC COMMISSION NEGOTIATORS MET SEPARATELY WITH NEGOTIATING TEAMS FROM BOTH TUNISIA AND MOROCCO. THESE MEETINGS CONSTITUTED THE FIRST ROUND OF NEGOTIATION OF NEW TRADE AGREEMENTS TO REPLACE THOSE PRESENTLY IN FORCE AND DUE TO EXPIRE ON AUGUST 31, 1974. SIMILAR NEGOTIATIONS WILL BE CONDUCTED WITH ALGERIA IN THE LATTER PART OF SEPTEMBER. (UNLIKE THE OTHER MAHGREB STATES, ALGERIA DOES NOT PRESENTLY HAVE A PREFERENTIAL TRADING ARRANGEMENT WITH THE COMMUNITY AS AN ENTITY.)

3. THE INITIAL NEGOTIATING SESSIONS SERVED PRIMARILY TO ALLOW THE COMMUNITY TO EXPLAIN ITS INITIAL NEGOTIATING STANCE AND TUNISIA AND MOROCCO TO GIVE PRELIMINARY REACTIONS. LIKE SPAIN (EC BRUSSELS 4128) AND ISREAL (EC BRUSSELS 4334) BEFORE THEM MOROCCAN AND TUNISIAN NEGOTIATORS WERE UNSATISFIED WITH THE LIMITED CHARACTER OF COMMUNITY OFFERS IN THE AGRICULTURAL FIELD.

4. IN ADDITION TO THE EC PREFERENTIAL TRADE AGREEMENTS PRESENTLY IN FORCE WITH MOROCCO AND TUNISIA, THESE COUNTRIES ARE ALSO COVERED BY A SPECIAL ARRANGEMENT DATING FROM THE ROME TREATY ITSELF. THIS ALLOWS THEM PREFERENTIAL ACCESS IN THE FRENCH MARKET FOR PRODUCTS NOT COVERED BY THE COMMUNITY-WIDE AGREEMENT. THE COMMUNITY NOW PROPOSES TO REDUCE THE SCOPE OF THIS EXCEPTION TO THE CXT BY INCREASING, TO SOME EXTENT, ITS AGRICULTURAL CONCESSIONS. MOROCCO AND TUNISIA BOTH ARGUE THAT IF THEY ARE REQUIRED TO ACCEPT SOMETHING SHORT OF THEIR PRESENT DUTY FREE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 04485 031907Z

ACCESS IN THE FRENCH MARKET--OR ACCESS DURING ONLY PART OF THE CALENDAR YEAR--THEY WILL BE WORSE OFF THAN UNDER THEIR PRESENT ARRANGEMENTS. (COMMISSION SOURCES CLAIM THAT THE MOROCCANS AND TUNISIANS ARE UNCONVINCED THAT THEY COULD SUBSTANTIALLY ENLARGE THEIR MARKETS IN MEMBER STATES OTHER THAN FRANCE.)

5. BOTH COUNTRIES ARE ALSO DISTURBED THAT THE PREFERENTIAL MARGIN THEY PRESENTLY ENJOY OVER SOME OTHER MEDITERRANEAN PRODUCERS IS LIKELY TO BE REDUCED. FOR EXAMPLE, IN THE CITRUS FIELD, THE COMMUNITY IS NOW OFFERING TO INCREASE FROM 40 TO 60 PERCENT THE PREFERENCE PROVIDED TO SPAIN AND ISRAEL WHILE THE 80 PERCENT PREFERENCE NOW AVAILABLE TO TUNISIA AND MOROCCO WOULD REMAIN UNCHANGED.

6. BOTH COUNTRIES ALSO INSIST THAT THE COMMUNITY MUST BE MORE FORTHCOMING WITH REGARD TO OTHER AGRICULTURAL CONCESSIONS. IN THEIR VIEW, CALENDAR PERIODS DURING WHICH SOME OF THEIR AGRICULTURAL PRODUCTS CAN ENTER THE COMMUNITY ON A PREFERENTIAL BASIS, SHOULD BE LENGTHENED AND NEW PRODUCTS SUCH AS ASPARAGUS, STRAWBERRIES AND SOME OTHER FRUITS AND VEGETABLES SHOULD BE ADDED TO THE LIST OF COMMUNITY CONCESSIONS.

7. 9, 5#3 8,\$7 548-) 8\$3, THE COMMUNITY IS OFFERING TO CONTINUE DUTY-FREE ACCESS FOR THE INDUSTRIAL PRODUCTS OF TUNISIA AND MOROCCO IN THE MARKETS OF THE SIX ORIGINAL MEMBER STATES. A SPECIAL SCHEDULE OF GRADUAL DUTY REDUCTIONS HAS BEEN PROPOSED FOR THEIR INDUSTRIAL EXPORTS INTO THE MARKETS OF THE THREE NEW MEMBER STATES. (THIS IS NECESSARY TO INSURE THAT AT NOT TIME DURING THE EC ENLARGEMENT TRANSITION PERIOD (ENDING JULY 1, 1977) WILL MOROCCAN AND TUNISIAN PRODUCTS RECEIVE MORE FAVORABLE TREATMENT IN THE MARKETS OF THE NEW MEMBER STATES THAN IS THE CASE FOR PRODUCTS FORM THE SIX ORIGINAL MEMBER STATES.)

8. WE HAVE BEEN TOLD THAT THERE WAS NO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 04485 031907Z

DISCUSSION OF COUNTER-CONCESSIONS FOR THE COMMUNITY IN THE MARKETS OF EITHER MOROCCO OR TUNISIA. FOR ITS PART, THE COMMUNITY HAS NOT REACHED AGREEMENT ON WHETHER OR NOT TO SEEK SUCH RECIPROCITY. A COMMISSION SOURCE CONFIDENCE THAT HE HAD INFORMALLY DISCUSSED THE MATTER WITH TUNISIAN AND MOROCCON REPRESENTATIVES AND HAD STRONGLY SUGGESTED THAT THEY NOT TAKE THE INITIATIVE ON THIS POINT DURING THE INITIAL ROUND OF DISCUSSIONS. OUR SOURCE SAW LITTLE LIKELIHOOD THAT THE RECIPROCITY ISSUE WOULD BE SETTLED IN THESE NEGOTIATIONS BEFORE IT HAD BEEN DEALT WITH IN THE NEGOTIATIONS WITH THE YAOUNDE ASSOCIATES AND THE ASSOCIABLE COUNTRIES. HE THOUGHT THAT INT THE END, MOROCCO AND TUNISIA MAY AGREE TO TRADE RECIPROCITY IF IN RETURN THEY CAN OBTAIN

A SUBSTANTIAL IMPROVEMENT IN THE COMMUNITY'S OFFER ON AGRICULTURE.

9. THE COMMUNITY HAS ALSO OFFERED FINANCIAL AND OTHER FORMS OF SCIENTIFIC AND TECHNICAL COOPERATION TO THE MAHGREB COUNTRIES. TUNISIA AND MOROCCO EXPRESSED INTEREST IN THIS OFFER PUTTING PARTICULAR STRESS ON INVESTMENT COOPERATION, INCLUDING INVESTMENT GUARANTEES. BOTH COUNTRIES ALSO HAVE GREAT INTEREST IN FINANCIAL AID BUT HAVE PUT EMPHASIS ON GRANTS AND SOFT LOANS

10. MOROCCO WILL MEET WITH THE COMMUNITY AGAIN ON OCTOBER 4-5 AND TUNISIA ON OCTOBER 8-9.
HARTMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU04485
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730860/aaaabryd.tel
Line Count: 184
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 EC BRUSSELS 4128 (NOTAL) AND 4334
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by elyme>; APPROVED <06-Sep-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC NEGOTIATIONS WITH THE MAHGREG COUNTRIES (TUNISIA AND MOROCCO)
TAGS: ETRD, TS, MO, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005